



To: Mayor Gene Winstead  
From: Maureen Scallen Failor  
Date: November 19, 2014  
RE: Southtown Rezoning

Dear Mayor Winstead:

We have been following with great interest the proposal to rezone Southtown shopping center in the Penn & American District of Bloomington to C-3 and C-4 commercial districts. As you know, much of Southtown is owned by Kraus-Anderson, Inc. which has long been a key driver of the city's economic development efforts and a great corporate citizen with over 420 employees metro-wide, as well as over 60 commercial properties representing over 4 million square feet. Kraus-Anderson also pays \$2,000,000 in property taxes for the Southtown location alone. This decision will also affect other businesses, including Luther, Lupient Chevrolet, Mitsubishi, Lucky 13's and Jiffy Lube.

It is our general belief as a Chamber that we work best when we work together – both the public and the private sectors. Economic development should as much as possible be organic, facilitated by government, but driven by the market. Zoning discussions of this sort should be permissive, not prescriptive.

The Chamber is concerned that there is a proposal on the table to rezone over a dozen properties in Penn-American District over many of the owners' objections, which will leave most of them in a 'legal but non-conforming' status. This proposal does not have the support of stakeholders in the area because it would negatively impact the market value of the land and likely hinder any realistic development proposals in the future on this site. Given this, the zoning becomes a disincentive for continued investment in the area, the exact opposite of what is envisioned in the district plan. We would also note that the Planning Commission on a 6-0 vote rejected these rezoning proposals, based upon serious concerns on the impact to the business community. We believe it would set a negative precedent for future development in the city of Bloomington, sending a bad signal to other businesses thinking of expanding or relocating in our community.

Without the support of the affected businesses, we think it is unlikely that this proposal will ultimately be successful. We believe that it is in the best interests of both the city, and business, to go back to the drawing-board with the stakeholders and work together to find a zoning proposal for this site that everyone finds satisfactory, rather than expending city resources on a process that may lead to litigation, and certainly commercial stagnation.

In addition to the zoning discussion, we would also note that this site has been slated by the Met Council as the preferred route for the Orange Line Bus Rapid Transit (BRT) line. Given the recent elections, however, it is possible that it may be more difficult to secure funding for this, and other transit proposals. We recommend that the City Council also weigh this carefully as they consider the viability of BRT, given the lack of consensus surrounding the proposed route change through Southtown.

The Bloomington Chamber of Commerce stands ready to work with the City of Bloomington as much as we can to make this a desirable place to live, work and play. A well-reasoned economic development strategy, implemented in cooperation with the businesses that help the community thrive, will help realize this vision.

Please do not hesitate to reach out to us if there is a role we can play in making this successful.

Sincerely,

A handwritten signature in blue ink that reads "Maureen Scallen Failor". The signature is written in a cursive, flowing style.

Maureen Scallen Failor  
President  
Bloomington Chamber of Commerce